

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Attorney Docket No.: 12640US01

Application of:	)	<b>ELECTRONICALLY FILED: Tuesday, May 15, 2007</b>
	)	
Robert Carey, et al.	)	
	)	
Patent No:	)	
7,206,760	)	
	)	
Issued:	)	
April 17, 2007	)	
	)	
Serial No:	)	
09/480,724	)	
	)	
Filed:	)	
January 7, 2000	)	
	)	
For:	)	
First Trust Portfolios L.P.	)	
	)	
	)	

**REQUEST FOR CERTIFICATE OF CORRECTION UNDER 37 C.F.R. §1.322**

Certificate of Correction Branch  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Sir:

Pursuant to 35 U.S.C. § 254 and 37 C.F.R. §1.322, the Applicants hereby request that a Certificate of Correction be issued for U.S. Patent No. 7,206,760 (the “‘760 patent”) in order to correct the mistakes in the ‘760 patent as noted in the attached Certificate of Correction form PTO/SB/44 (also referred to as Form PTO-1050), which mistakes were incurred through the fault of the Office and are clearly disclosed in the records of the Office. See, Amendment H filed October 7, 2005, at p. 2, the final amendment to the ‘760 patent, attached as Exhibit A. See also Notice of Allowability mailed December 12, 2006, attached as Exhibit B (no Examiner’s Amendment was made to the claims).

**Corrections Requested:**

The following correction is respectfully requested for the Claims:

Please delete the phrase "said computer performing the steps of" of col. 5, line 48 from claim 1.

According to 37 C.F.R. § 1.322(b), if the Office believes that a certificate of correction is inappropriate in form to correct the mistakes in the '760 patent, the Director is respectfully requested to issue a corrected patent in lieu thereof as a more appropriate form for certificate of correction.

No fee is believed to be due, but if there is any fees incurred in connection with this submission, please charge to Deposit Account No. 13-0017.

Respectfully submitted,

Dated: May 15, 2007



Yufeng Ma  
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## UNITED STATES PATENT AND TRADEMARK OFFICE CERTIFICATE OF CORRECTION

Page 1 of 1

PATENT NO : 7,206,760

APPLICATION NO.: 09/480,724

DATED : April 17, 2007

INVENTOR(S) : Robert Carey, et al.

It is certified that error appears or errors appear in the above-identified patent and that said Letters Patent are hereby corrected as shown below:

### Corrections to the Claims

#### Claim 1:

Column 5, line 48, cancel the phrase "said computer performing the steps of" and remove it from the claim.

MAILING ADDRESS OF SENDER (Please do not use customer number below):

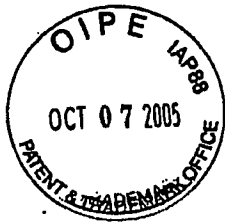
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This collection of information is required by 37 CFR 1.322, 1.323, and 1.324. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 1.0 hour to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Attention Certificate of Corrections Branch, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

*If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.*

# **EXHIBIT A**

## **Amendment H**



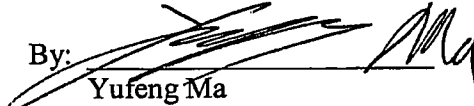
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
Case No. 12640US01

PATENT

In the Application of: )  
ROBERT CAREY et al. )  
Serial No.: 09/480,724 )  
Filed: January 7, 2000 )  
For: METHOD OF SELECTING )  
SECURITIES FOR A PORTFOLIO )  
Examiner: Harish T. Dass )  
Group Art Unit: 3628 )  
Confirmation No.: 4660 )

**CERTIFICATE OF EXPRESS MAILING**  
**EL 929182114 US**

I hereby certify that this correspondence is being deposited with the United States Postal Service as Express Mail in an envelope addressed to: Mail Stop: RCE, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on October 7, 2005.

By:   
Yufeng Ma  
Reg. No. 56,975

**AMENDMENT H**

MAIL STOP RCE  
Commissioner for Patents  
P.O. Box 1450  
Alexandria VA 22313-1450

Dear Sir:

**Introductory Comments**

This paper responds to the final Office Action in the above-entitled application, mailed June 7, 2005, and the Advisory Action mailed September 1, 2005, as part of the Request for Continued Examination (RCE) in compliance with 37 C.F.R. § 1.114. Applicants respectfully request entry (as a matter of right) of the amendments submitted herein. A Petition for Extension of Time (one months) is being filed with this paper, so the due date is being extended one month to October 7, 2005.

Amendments to the Claims are reflected in the listing of claims which begins on page 2 of this paper.

Remarks begin on page 7 of this paper.

### **Amendments to the Claims**

A complete list of all the presently or formerly pending claims in the application is provided below, with suitable headings to show the status of each claim and, where appropriate, its current text. This listing of claims will replace all prior versions, and listings of claims in this application.

#### **Listing of Claims**

1-19. (Canceled)

20. (Currently Amended) A computer-implemented method for selecting securities from a group of available securities for an investment portfolio, comprising:

calculating price appreciation for each of said available securities;

calculating a return on assets ratio for each of said available securities;

calculating a price to cashflow ratio for each of said available securities;

ranking at least some of the available securities to form a group of ranked securities, said ranking comprising ranking according to said price appreciation to assign each of said available securities one or more separate price appreciation ranks, ranking according to said return on assets ratio to assign each of said available securities a separate return on assets ratio rank, ~~and~~ ranking according to said price to cashflow ratio to assign each of said available securities a separate price to cashflow rank, and determining for each of said available securities an average rank comprising the average of the one or more separate price appreciation ranks, separate return on assets ratio rank and separate price to cashflow ratio rank for said security; and

selecting at least some of the ranked securities to form a group of selected securities; wherein at least one of the steps of calculating, ranking, and selecting is carried out by a computer.

21. (Previously Presented) The method of claim 20 wherein said group of available securities comprises 100 stocks of the Nasdaq 100 index.

22. (Canceled).

23. (Currently Amended) The method of ~~claim 22~~ claim 20 wherein said calculating price appreciation comprises calculating a first rate of price appreciation over a first predetermined time period and a second rate of price appreciation over a second predetermined time period different than said first predetermined time period, wherein said ranking the available securities according to said price appreciation comprises ranking the available securities according to said first rate so that each of said available securities is assigned a separate first rate rank and ranking the available securities according to said second rate so that each of said available securities is assigned a separate second rate rank, and wherein said determining comprises determining for each of said available securities an average rank comprising the average of the separate first rate rank, the separate second rate rank, the separate return on assets ratio rank and the separate price to cashflow ratio rank.

24. (Previously Presented) The method of claim 20 wherein said at least some of the available securities is ranked solely according to said price appreciation, said return on assets ratio and said price to cashflow ratio.

25. (Previously Presented) The method of claim 20 wherein said ranking further comprises ranking said at least some of the available securities according to capitalization of said available securities.

26. (Previously Presented) The method of claim 20 wherein said selecting comprises selecting a predetermined number of said ranked securities.

27. (Previously Presented) The method of claim 26 wherein said predetermined number is 15 or less.

28. (Previously Presented) The method of claim 20 wherein said calculating price appreciation comprises calculating a first rate of price appreciation over a first predetermined time period.

29. (Previously Presented) The method of claim 28 wherein said calculating a first rate comprises performing a regression analysis of the price history of each of the available securities over said first time period.

30. (Previously Presented) The method of claim 29 wherein said calculating price appreciation further comprises calculating a second rate of price appreciation over a second predetermined time period different from said first predetermined time period.

31. (Previously Presented) The method of claim 30 wherein said calculating a second rate comprises performing a regression analysis of the price history of each of the available securities over said second time period.

32. (Previously Presented) The method of claim 31 wherein said regression analysis comprises least squares regression analysis.

33. (Previously Presented) The method of claim 20 wherein said method further includes purchasing at least some of said group of selected securities to form a group of purchased securities.

34. (Previously Presented) The method of claim 33 wherein said purchased securities are weighted by market capitalization.



35. (Previously Presented) The method of claim 33 wherein said method further includes creating a unit investment trust comprising said purchased securities.

36. (Previously Presented) The method of claim 35 wherein said unit investment trust has a life of 13 months or more.

37. (Previously Presented) The method of claim 33 wherein said method further includes creating a pooled investment vehicle comprising said purchased securities.

38. (Previously Presented) The method of claim 33 wherein said method further includes creating a variable annuity comprising said purchased securities.

39. (Previously Presented) The method of claim 33 wherein said method further includes creating an investment account comprising said purchased securities.

40-41. (Canceled).

42. (Currently Amended) A computer-readable medium bearing a computer program containing instruction steps such that upon installation of said computer program in a general purpose computer, the computer performs a method for selecting securities from a group of available securities for an investment portfolio comprising the operations of:

calculating price appreciation for each of said available securities;

calculating a return on assets ratio for each of said available securities;

calculating a price to cashflow ratio for each of said available securities;

ranking at least some of the available securities to form a group of ranked securities, said ranking comprising ranking according to said price appreciation to assign each of said available securities one or more separate price appreciation ranks, ranking according to said return on assets ratio to assign each of said available securities a separate return on assets ratio rank, and ranking according to said price to cashflow ratio to assign each of said available

Application No. 09/480,724  
Amendment dated October 7, 2005  
In response to Office Action dated June 7, 2005

securities a separate price to cashflow rank, and determining for each of said available securities an average rank comprising the average of the one or more separate price appreciation ranks, separate return on assets ratio rank and separate price to cashflow ratio rank for said security; and

selecting at least some of the ranked securities to form a group of selected securities.

### **Remarks**

Applicants acknowledge that claims 20-21, 23-39 and 42 are pending in the present application.

### **Examiner Interview**

Applicants thank the Examiner and Mr. Hyung Sough for their courtesy extended during a telephonic interview on September 9, 2005, with the undersigned regarding the present application and the Advisory Action mailed September 1, 2005, which refused to enter the amendments filed on August 5, 2005.

Although no agreement was reached during the interview, the Examiner pointed to page 6, lines 18-22 of the originally filed specification for what he felt was interesting and novel about the subject method of the present application. The undersigned explained to the Examiner that the part the Examiner pointed out was reflected in the limitation added to claim 20, which was in the cancelled claim 22.

### **35 U.S.C. § 112 (Written Description)**

The final Office Action dated June 7, 2005, rejects claims 20-39 and 42 under 35 U.S.C. § 112, ¶ 1, as failing to comply with the written description requirement. Applicants have been asked to show that the subject matter of claims 20 in this case is described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention. *See Manual of Patent Examining Procedure (MPEP)*, § 2163.02, page 2100-177 (8th ed., Rev. 2, 2004).

The final Office Action first finds that the claim limitation "...where at least one steps of calculating, ranking and selecting is carried out by a computer" in claim 20 is not supported by the original specification. In the Examiner's view, "the specification is silent if the steps are done by computer." Applicants respectfully remind the Examiner that the written description of the invention includes both the specification and claims as originally filed. For example, the originally filed claim 11 reads, "A computer programmed to carry out the steps of claim 1." And claims 1, as originally filed, includes steps of calculating, ranking, and selecting. Therefore, claim 11 of the originally filed application clearly teaches that at least one of the steps of calculating, ranking, and selecting could be carried out by a computer. Therefore, the written

description of the present invention, which includes the specification and claims as originally filed, shows that the inventors, at the time the application was filed, had possession of the invention of claim 20.

Next, the final Office Action holds that the originally filed specification does not support claim 20 because “the disclosed invention selects securities by average rank of ranks calculated based on 4 criteria.” Applicants respectfully submit that the method described on page 6, line 22 to page 7, line 9 that uses four criteria—one year price appreciation value, six-month price appreciation value, return-on-assets ratio, and price-to-cashflow ratio—to rank securities, and then selects securities based on an average of the four individual ranks calculated based on the four criteria is just one example given by the inventors for the present invention. *See*, page 6 line 18 (“For example, ...”). It is not necessary to use four criteria, because the specification makes it clear that three or more than four criteria can be used to rank securities. For example, claim 1 of the application as originally filed only recites three criteria.

The specification also generally provides that “the stocks are sorted, or organized, according to the magnitude of the company’s average rank” (page 6, lines 17-18), which means that the average rank does not have to be calculated by averaging the three or more individual ranks. In order to expedite the examination of the present application, however, Applicants have amended claim 20 to recite that the average rank comprises “the average of the one or more separate price appreciation ranks, separate return on assets ratio rank and separate price to cashflow ratio rank for said security.” Therefore, the Examiner’s rejection in Paragraph 2(b) of the final Office Action has become moot.

### **35 U.S.C. § 103 (Non-obviousness)**

To put the claims in better form for consideration, claim 20 and 42 have been amended to incorporate the additional limitation of claim 22; claim 22 has been cancelled, and claim 23 has been amended to depend from claim 20.

Claims 20, 21, 23-39 and 42 stand rejected under 35 U.S.C. 103(a) as being unpatentable over O’Shaughnessy (U.S. Patent No. 6,317,726) in view of “India: Financial ratios... 1999” (Businessline). Applicants respectfully traverse the rejection and submit that claims 20, 21, 23-39 and 42 are patentable for the reasons provided below.

In order for a 35 U.S.C. §103 rejection to be proper, a *prima facie* case of obviousness must be established. *In re Ochiai*, 71 F.3d 1565, 37 U.S.P.Q.2d 1127 (Fed. Cir. 1995). The *MPEP* states:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure.

*MPEP*, § 2142, at 2100-128 (emphases added).

In response to Applicants' argument that there is no suggestion to combine and modify the references, the final Office Action states that "profitability is the motivation." Applicants admit that profitability is the most important consideration for all investment strategies. However, "profitability" is a too general motivation to lead one of ordinary skill in the art to go through all the steps of modification and combination required to reach the method of the present invention.

In fact, in this case, rather than motivating a person of ordinary skill in the art to modify O'Shaughnessy in the manner as suggested by the Examiner, profitability will in fact deter a person to do so because of the "teaching away" in O'Shaughnessy. Although O'Shaughnessy teaches that "using several factors allows one to enhance performance or reduce risk," it continues to warn,

However, just cumulating additional factors does not increase the performance: if to one took Large Stocks with PE ratios below 20 and positive earnings gains for the year and bought the 50 with the best 1-year price performance, one would actually earn less than if one bought the low PE, high relative strength stocks alone. The addition of positive earnings gains hurt performance in this instance. More factors do not necessarily mean better performance.

Col. 9, line 66 to col. 10, line 6 (emphases added). Based on O'Shaughnessy's teaching, one of ordinary skill in the art would be led away from modifying the methods taught in O'Shaughnessy, and would be motivated not to combine price appreciation, price to cashflow ratio, and/or return on assets ratio in the manner suggested by the Examiner against the

teaching of O'Shaughnessy, because one would be motivated to closely follow the combinations of value factors and methods taught by O'Shaughnessy to avoid hurting performance and to achieve better profitability.

As it will be further discussed below, O'Shaughnessy does not teach or suggest to sort stocks according to price to cashflow ratio, and does not teach to combine price to cashflow ratio with price appreciation in selecting securities, much less to combine sorting according to price to cashflow ratio and sorting according to price to cashflow ratio to form a group of sorted securities. Neither O'Shaughnessy nor Businessline teaches to sort securities according to return on assets ratio. In order to get the invention claimed in claim 20 or 42, one would need to (1) modify O'Shaughnessy to sort stocks according to price to cashflow ratio; (2) modify Businessline to sort stocks according to return on assets ratio; (3) combine the teaching of Businessline with the teaching of O'Shaughnessy; and (4) combine sorting according to price to cashflow ratio, sorting according to price appreciation, and sorting according to return on assets ratio together in the claimed manner to form a group of sorted stocks. Applicants respectfully submit that there is no sufficient motivation or suggestion in the prior art for one of ordinary skill in the art to make any of these modifications, let alone the entire complex combination. *See, e.g., Yamouchi Pharm. Co. v. Danbury Pharmacal, Inc.*, 231 F.3d 1339, 56 USPQ2d 1641 (Fed. Cir. 2000).

Businessline teaches the concept of "return on assets," but does not teach or suggest to sort securities according to return on assets ratio and assign each stock a separate return on assets ratio rank. Neither does it teach or suggest to combine a stock's return on assets ratio rank with one or more other separate ranks assigned to the stock by sorting stocks according to one or more other factor to form a group of ranked stocks. Aside from impermissible hindsight use of Applicants' specification, there is no suggestion in either O'Shaughnessy or Businessline to a person of ordinary skill that the specific claimed factors should be combined in the manner claimed. Out of the hundreds of factors that conceivably could be used to select securities, Applicants have found that the combination of price appreciation, return on assets ratio and price to cashflow ratio in the manner as claimed by the present application achieves useful results. Nothing in the references of record teaches or suggests this novel combination.

Compared to the methods and strategies disclosed and claimed in O'Shaughnessy, the method of the present application enjoys a distinctive beauty of simplicity.<sup>1</sup> In order to rank available securities, both independent claims 20 and 42 of the present application require (1) "ranking according to price appreciation to assign each of said available securities one or more separate price appreciation ranks," (2) "ranking according to said return on assets ratio to assign each of said available securities a separate return on assets ratio rank," (3) "ranking according to said price to cashflow ratio to assign each of said available securities a separate price to cashflow rank," and (4) "determining for each of said available securities an average rank comprising the average of the one or more separate price appreciation ranks, separate return on assets ratio rank and separate price to cashflow ratio rank for said security."

Nothing in O'Shaughnessy or Businessline teaches or suggests such a ranking method, which is totally novel and nonobvious. The prior art of record in fact does not teach or suggest to get an average rank of a security by averaging any two or more separate ranks of the same security according to two or more different value factors. The Examiner cites four sections of O'Shaughnessy (abstract; C2 L9-L24; C3 Table 1; C13 L46-L47) to support its rejection, but none of them (or any other place in O'Shaughnessy or Businessline) teaches or suggests to average any two or more separate ranks assigned to a stock according to different selection factors in the manner claimed by the present invention, much less an average of the separate ranks assigned to the stock according to the three specific factors described in the claim.

Moreover, although O'Shaughnessy teaches the concept of "price to cashflow" ratio and Businessline teaches the concept of "return on assets," the prior art of record does not teach or suggest to rank a group of securities according to their price to cashflow ratios or their return on assets ratios, much less to select securities based on a combination of these rankings.

O'Shaughnessy teaches, among a number of value factors, that price to cashflow ratio is a measure of whether a stock is cheap or not, and that stocks with low price to book, price

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<sup>1</sup> Under U.S. law, simplicity is not a proper factor for obviousness analysis, *see In re Chu*, 66 F.3d 292, 298, 36 USPQ2d 1089, 1094 (Fed. Cir. 1995); *In re Gordon*, 733 F.2d 900, 902, 221 USPQ 1125, 1127 (Fed. Cir. 1984), but a hallmark of invention. *See Diamond Rubber v.*

to cashflow, and price-to-sales ratios outperform other stocks. However, O'Shaughnessy does not teach to use price to cashflow ratio to rank a group of stocks and assign each stock a separate rank. Neither does O'Shaughnessy teach or suggest that the actual ranks assigned to the stocks according to their price to cashflow ratios will be useful in selecting securities to form an investment portfolio. In all the methods, models, or strategies taught and/or claimed in O'Shaughnessy, cashflow (or any value related to it) is merely used to identify stocks having cashflow (or cashflows per share) greater than a database mean. *See* O'Shaughnessy, col. 11, line 31; col. 13, line 46; col. 14, line 9; col. 15, line 27; col. 18, lines 38-39 and 56-57; col. 19, lines 11-12; co. 20, lines 42 and 59-60; col. 22, lines 41-42; col. 23, lines 33-34; col. 31, lines 5-6; col. 33, lines 5-6, 24-25, and 50-51; col. 34, lines 3-4, 23-24, and 39-40; col. 35, lines 66-67; col. 36, lines 17-18, 38-39, and 56-57; col. 37, lines 5-6. By identifying stocks having cashflow (or cashflows per share) greater than a database mean, O'Shaughnessy teaches to identify stocks having the lowest price to cashflow ratios. However, O'Shaughnessy does not teach or suggest to rank a group of available stocks according to their price to cashflow ratios, and then use the ranking, either alone or in combination with other separate rankings, to select stocks.

O'Shaughnessy actually teaches to sort (i.e., rank) stocks according to price appreciation, dividend yield, or price-to-sales ratio into a sorted list, but it does not teach or suggest to sort stocks according to price to cashflow ratio even though O'Shaughnessy discloses the concept of "price to cashflow" ratio. Applicants respectfully submit that this fact reflects that the inventor of O'Shaughnessy did not contemplate that the ranking of stocks according to price to cashflow ratio would be useful and should be included in his invention.

The final Office Action admits that O'Shaughnessy does not teach a return on assets ratio, and refers to Businessline for the needed teaching. However, although Businessline teaches the concept of "return on assets" and teaches that return on assets is a good measure of how profitably a company is using the funds it has raised, it does not teach or suggest to rank securities according to their return on assets ratios and to use this ranking, either alone or in combination with other separated rankings, to select securities. Businessline does not teach or suggest to rank securities according to price to cashflow ratio as well.

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*Consolidated Rubber Tire*, 220 U.S. 428, 434-35, 31 S.Ct. 444, 447 (1911); *Demaco v.*



Moreover, although O'Shaughnessy teaches to sort a first set, a second set, and a third set of securities according to price appreciation, dividend yield, and price-to-sales ratio in a seriatim manner, it does not teach to sort the same set of securities using any three (or even two) value factors to assign each security in the set of securities three (or even two) separate ranks and then combine the three (or even two) separate ranks to form a group of ranked securities, much less to average the three (or even two) separate ranks to form a group of ranked securities.

Therefore, O'Shaughnessy and Businessline, even when combined together, do not teach or suggest all the claim limitations of claims 20 and 42. For this reason alone, the final Office Action has failed to establish a *prima facie* case of obviousness.

For all the reasons stated above, Applicants respectfully submit that independent claims 20 and 42 are not obvious over the prior art of record and are allowable.

Claims 21, 23-39 are dependent on claim 20 and are allowable for the same reasons as claim 20. In addition, these claims are limited to additional features not taught or suggested by the references of record.

For example, claim 24 is limited to a method of selecting stocks wherein the available securities are only ranked according to the three factors—price appreciation, return on assets ratio and price to cashflow ratio. Neither O'Shaughnessy nor Businessline teaches or suggests predetermined factors consisting only of these three factors, so claim 24 is allowable at least for this extra reason.

In conclusion, the prior art of record does not make out a *prima facie* case of obviousness, and claims 20, 21, 23-39 and 42 are in condition for allowance.

Application No. 09/480,724  
Amendment dated October 7, 2005  
In response to Office Action dated June 7, 2005

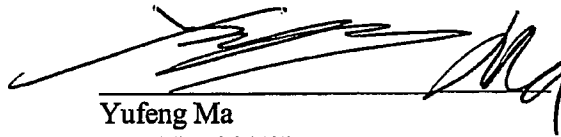
### Conclusion

In view of the above amendments and remarks, Applicants respectfully request reconsideration and withdrawal of the rejection of 20, 21, 23-39 and 42, and all claims declared patentable. A Notice of Allowance is therefore respectfully solicited.

The Commissioner is authorized to charge any required fees including those for the RCE and the one-month extension of time to the deposit account of McAndrews, Held & Malloy, Ltd., Account No. 13-0017.

Date: October 7, 2005

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Yufeng Ma', is written over a horizontal line.

Yufeng Ma  
Reg. No. 56,975  
Attorney for Applicants

McAndrews, Held & Malloy, Ltd.  
500 W. Madison, 34<sup>th</sup> Floor  
Chicago, IL 60661  
312 775-8000

# **EXHIBIT B**

## **Notice of Allowability**



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
[www.uspto.gov](http://www.uspto.gov)

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/480,724	01/07/2000	ROBERT CAREY	12640US01	4660

EXAMINER	
DASS, HARISH T	

ART UNIT	PAPER NUMBER
7590	3628

MCANDREWS HELD & MALLOY LTD  
500 WEST MADISON STREET  
34TH FLOOR  
CHICAGO, IL 60606

DATE MAILED: 12/12/2006

## Determination of Patent Term Extension under 35 U.S.C. 154 (b) (application filed after June 7, 1995 but prior to May 29, 2000)

The Patent Term Extension is 0 day(s). Any patent to issue from the above-identified application will include an indication of the 0 day extension on the front page.

If a Continued Prosecution Application (CPA) was filed in the above-identified application, the filing date that determines Patent Term Extension is the filing date of the most recent CPA.

Applicant will be able to obtain more detailed information by accessing the Patent Application Information Retrieval (PAIR) WEB site (<http://pair.uspto.gov>).

Any questions regarding the Patent Term Extension or Adjustment determination should be directed to the Office of Patent Legal Administration at (571)-272-7702. Questions relating to issue and publication fee payments should be directed to the Customer Service Center of the Office of Patent Publication at 1-(888)-786-0101 or (571)-272-4200.

<b>Notice of Allowability</b>	Application No.	Applicant(s)	
	09/480,724	CAREY ET AL.	
	Examiner	Art Unit	
	Harish T. Dass	3628	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--**

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to Amendment of Oct. 07, 2005.
2. ☒ The allowed claim(s) is/are 20,21,23-39 and 42.
3. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
  - a) ☐ All   b) ☐ Some\*   c) ☐ None   of the:
  1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\* Certified copies not received: \_\_\_\_\_.

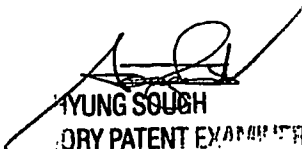
Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.  
**THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.**

4. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
5. ☐ CORRECTED DRAWINGS ( as "replacement sheets") must be submitted.
  - (a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review ( PTO-948) attached
    - 1) ☐ hereto or 2) ☐ to Paper No./Mail Date \_\_\_\_\_.
  - (b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date \_\_\_\_\_.

Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
6. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

**Attachment(s)**

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)</li> <li>2. <input type="checkbox"/> Notice of Draftperson's Patent Drawing Review (PTO-948)</li> <li>3. <input type="checkbox"/> Information Disclosure Statements (PTO-1449 or PTO/SB/08),<br/>Paper No./Mail Date _____</li> <li>4. <input type="checkbox"/> Examiner's Comment Regarding Requirement for Deposit<br/>of Biological Material</li> </ol> | <ol style="list-style-type: none"> <li>5. <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)</li> <li>6. <input type="checkbox"/> Interview Summary (PTO-413),<br/>Paper No./Mail Date _____</li> <li>7. <input type="checkbox"/> Examiner's Amendment/Comment</li> <li>8. <input checked="" type="checkbox"/> Examiner's Statement of Reasons for Allowance</li> <li>9. <input type="checkbox"/> Other _____</li> </ol> |
|---|--|

  
 HYUNG SOUH  
 PRIMARY PATENT EXAMINER  
 BIOLOGY CENTER

**DETAILED ACTION**

Claim 1-19, 22, and 40-41 are canceled.

**Allowable Subject Matter**

1. The following is an examiner's statement of reasons for allowance:

Prior art taken alone or in combination failed to teach or suggest the limitations of:

ranking at least some of the available securities to form a group of ranked securities, said ranking comprising ranking according to said price appreciation to assign each of said available securities one or more separate price appreciation ranks, ranking according to said return on assets ratio to assign each of said available securities a separate return on assets ratio rank, ranking according to said price to cashflow ratio to assign each of said available securities a separate price to cashflow rank, and **determining for each of said available securities an average rank comprising the average of the one or more separate price appreciation ranks, separate return on assets ratio rank and separate price to cashflow ratio rank for said security;** and

selecting at least some of the ranked securities to form a group of selected securities; wherein at least one of the steps of calculating, ranking, and selecting is carried out by a computer, *as recited in independent claims 20 and 42.*

US 6,317,726 (O'Shaughnessy) discloses Market Capitalization, where the invention primarily studied two groups. The first stock group includes only stocks with a

market capitalization in excess of \$150 million (adjusted for inflation); it is called All Stocks throughout this application. The inventor chose \$150 million after consulting a trader at a large Wall Street brokerage who felt it was the minimum necessary if he was investing \$100 million in 50 stocks in 1995. This figure avoids focusing on tiny stocks and focuses only on those stocks which a professional investor could buy without running into liquidity problems. The second stock group includes larger, better-known stocks with market capitalizations greater than the database average (usually the top 16 percent of the database by market capitalization); it is called Large Stocks throughout the application. O'Shaughnessy discloses all the steps of independent claim 20 and claim 42 except ***determining for each of said available securities an average rank comprising the average of the one or more separate price appreciation ranks, separate return on assets ratio rank and separate price to cashflow ratio rank for said security.***

WO 00/73946 A1 (Bakaya et al - PCT/AU00/00551) discloses calculating best and worst performing shares over various period of time, using historical information which may be gathered and used to test the hypotheses on buy and sell signal/tips and other variables related to buy/sell decision. Each stock may be given a percentile ranking as per a selected criterion. This percentile ranking would indicate what percent of the selected group were off than that stock for criterion. Bakaya et al does not a step of ***determining for each of said available securities an average rank comprising the average of the one or more separate price appreciation ranks, separate return on***

***assets ratio rank and separate price to cashflow ratio rank for said security, as recited in independent claims 20 and 42.***

NPL – Non of the EIC search of non-patent literature discloses more that ranking and averaging stocks based on price appreciation.

Each of the prior arts taken alone or in combination failed to teach or suggest the above features recited in independent claim 17.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T. Dass whose telephone number is 571-272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.



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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Harish T Dass

Examiner

Art Unit 3628

12/28/05

  
HYUNG S. OH  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600